

**Introduced by Senator Chesbro**  
(Coauthor: Assembly Member Berg)

January 9, 2006

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An act to amend Section 3 of Chapter 1086 of the Statutes of 1970, relating to tidelands and submerged lands of the City of Eureka.

LEGISLATIVE COUNSEL'S DIGEST

SB 1126, as introduced, Chesbro. Tidelands: City of Eureka.

Existing law grants to the City of Eureka all the right, title, and interest of the State of California in and to certain tidelands and submerged lands located in Humboldt Bay in trust for certain purposes. Existing law provides that certain moneys received by the City of Eureka from the State Controller shall be deposited in the Humboldt Bay Fund and may be used by the City of Eureka for the purposes for which revenues accruing from or out of the use of those granted tidelands may be used.

Existing law requires the City of Eureka, prior to June 30 of each year, to pay to the State Controller a specified amount of the money deposited by the city into the Humboldt Bay Fund during the preceding fiscal year in lieu of all obligations incurred by the city, as specified.

This bill would provide that when the State Controller certifies that the amount of the original payments has been made by the city, the obligation to make payments shall cease.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

SECTION 1. Section 3 of Chapter 1086 of the Statutes of 1970, as amended by Section 1 of Chapter 1068 of the Statutes of 1982, is amended to read:

Sec. 3. (a) The city shall establish the Humboldt Bay Fund in ~~such~~ *the* manner as may be approved by the State Lands Commission, and the city shall deposit therein all moneys received directly from, or indirectly attributable to, the tide and submerged lands granted to the city. An annual statement of financial condition and operations, to conform with such requirements as the State Lands Commission may prescribe, shall be submitted to the State Lands Commission by the city on or before September 30th of each year for the preceding fiscal year. In furtherance of its management and administration over granted tide and submerged lands, the State Lands Commission shall audit, or cause to be audited, the operations and all books and records of the city. Further, the city shall prepare and submit to the State Lands Commission, for its review and approval, an annual budget with respect to all revenues and expenditures regarding tide and submerged lands granted to the city. All moneys received from the *State* Controller pursuant to Section 18 of this act shall be deposited in the Humboldt Bay Fund and may be used by the city for the purposes for which revenues accruing from or out of the use of the granted tidelands may be used pursuant to the provisions of this act.

~~Prior to June 30, 1979, and prior~~

(b) ~~Prior to June 30 of each succeeding~~ year, the city shall pay to the *State* Controller a sum that is not less than 15 percent of the amount of the money deposited by the city into the Humboldt Bay Fund during the preceding fiscal year, after deducting from the fund the principal and interest payments required by the currently outstanding 1973 Municipal Harbor Improvement Revenue Bond issue, and after the credit for reverted funds provided for in Section 18 of this act. Moneys received from the *State* Controller pursuant to Section 18 of this act shall not be included in the calculation of the amount deposited into the Humboldt Bay Fund. Payments made to the *State* Controller pursuant to this section shall be in lieu of all obligations incurred by the city pursuant to this section, as amended by Section 2 of

1 Chapter 1252 of the Statutes of 1971, and prior to the amendment  
2 of this section during the 1977-78 Regular Session of the  
3 Legislature. *When the State Controller certifies that the amount*  
4 *of the original payments has been paid by the city, the obligation*  
5 *to make payments shall cease.*

6 ~~In~~

7 (c) In the event the city fails to make any payment required to  
8 be made hereby for any reason whatsoever, the State Board of  
9 Equalization, upon the order of the *State* Controller, shall deduct  
10 the amount of that payment from the sales and use taxes to be  
11 paid to the city thereafter pursuant to Section 7204 of the  
12 Revenue and Taxation Code and shall pay the same to the *State*  
13 Controller.

14 ~~All~~

15 (d) All payments made by the city and the State Board of  
16 Equalization shall be considered as oil revenues and dry gas  
17 revenues payable to the state pursuant to Chapter 138 of the  
18 Statutes of 1964, First Extraordinary Session, during the year  
19 they are received.

20 ~~For~~

21 (e) For the purposes of Section 7 of this act, ~~such~~ the amounts  
22 paid to the *State* Controller by the city shall be considered as  
23 current and accrued operating costs and expenditures directly  
24 related to the operation and maintenance of tideland trust  
25 activities.